Government of Saskatchewan

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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Cattle Market Update

For the Week Ending January 24, 2014

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Feeder Cattle

Steers

	Range	Average	Change from last week
300-400	191-223	200.50	+10.37
400-500	185-220	200.40	+7.40
500-600	181-214	190.92	+4.22
600-700	171-193	181.00	+7.00
700-800	160-181	169.00	+6.11
800-900	152-166	158.50	+7.75
900+	145-156	149.17	+8.84

Heifers

	Range	Average	Change from last week
300-400	167-195	177.00	+8.37
400-500	164-191	174.69	+7.19
500-600	158-187	170.21	+9.11
600-700	150-172	162.71	+9.51
700-800	142-163	151.58	+5.98
800+	135-153	143.05	+6.05

Source: Canfax.

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week.

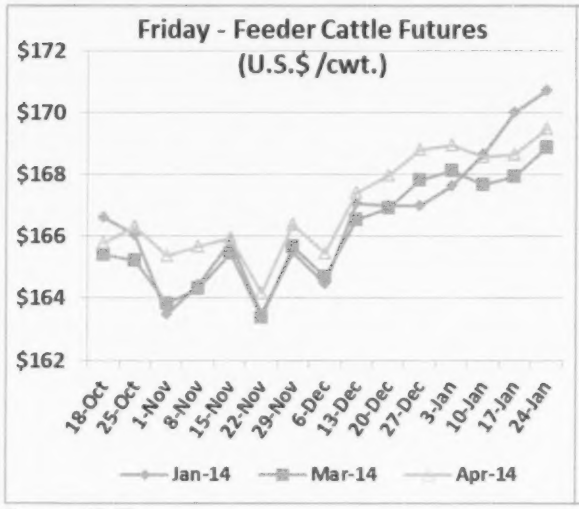
Canfax reported that a total of 17,996 head of cattle were sold in Saskatchewan this week, up from 10,635 head marketed the previous week. Feeder cattle prices have increased significantly over the week, hitting new record highs for almost all categories. Saskatchewan feeder cattle prices for all weight categories above 400 lb. are above the historical highs that were last set in February and March of 2012.

Average prices for feeder steers increased between $4.22 per cwt and $10.37 per cwt, from the previous week. The feeder steers in the 300-400 lb. weight category had the largest increase over the week increasing $10.37 per cwt. Most categories had increases of greater than $6 per cwt.

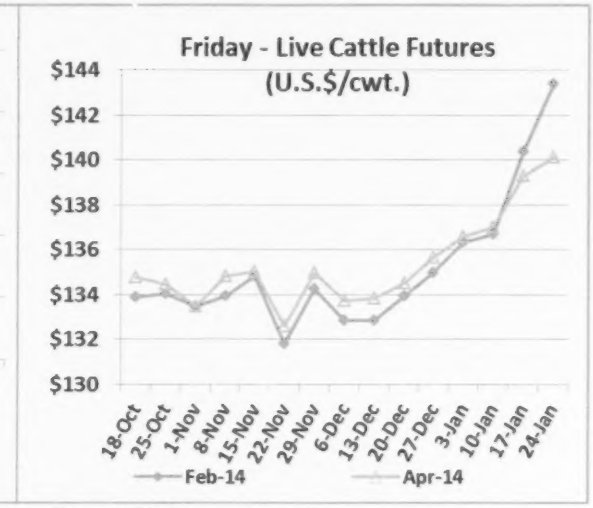
Feeder heifer prices were also significantly higher over the week. Feeder heifer prices increased between $5.98 per cwt and $9.51 per cwt, from the previous week. The 600-700 lb. weight category had the largest increase of $9.51 per cwt. The heavier weight feeder heifer categories increased by about $6 per cwt while the categories below 700 lb. increased by $7 to $9 per cwt.

The Saskatchewan 750 lb. feeder steer basis compared to the January 23, 2014 U.S. feeder cattle index at US$170.34 per cwt was calculated at -$19.41 per cwt (US$170.34/0.9031 - $169.21), a basis narrowing of $5.53 per cwt from -$24.94 per cwt on January 16, 2014.

Feeder cattle futures prices continued to move higher last week with tighter cattle supplies and higher live cattle futures. The January to March contracts increased between US$0.700 per cwt and US$0.950 per cwt, week-over-week. The January contract settled the week at US$170.700 per cwt while the April contract settled the week at US$169.175 per cwt.



Source: CME



Source: CME

Live cattle futures prices were higher over the week with the nearby February contract jumping over US$3 per cwt to settle the week at US$143.400 per cwt. The April contract increased US$0.800 per cwt to settle the week at US$140.100 per cwt. Higher beef cutout prices over the week set new records from the previous week and helped push nearby live cattle futures contracts higher.

Iowa cash corn prices and nearby corn futures edged higher over the week. The Iowa cash price as of Friday was US$4.20 per bushel, up 5 cents from the previous Friday. The March corn futures contract was over 5 cents higher to settle Friday at US$4.294 per bushel while the May contract increased just over 4 cents to close the week at US$4.360 per bushel.

Fed and Non-fed Cattle

	January 24	January 17	Change
Cows (Alberta)			
D1,2 Live	79.83	82.30	-2.47
D3 Live	70.93	73.75	-2.82
Rail	159-164	159-164	0.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta were lower last week with D1,2 slaughter cows decreasing $2.47 per cwt to average $79.83 per cwt, while D3 slaughter cows decreased $2.82 per cwt to average $70.93 per cwt.

Fed cattle prices in Western Canada were substantially higher over the week breaking new record highs again this week. Fed steers in Alberta were reported to average $142.52 per cwt, up $4.01 per cwt from $138.51 per cwt last week. Fed cattle prices in Alberta continue to reach new all-time highs from tighter cattle supplies and record beef cutout prices.

On Friday January 24, 2014, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for January 1, 2014.

January 1, 2013 and 2014, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2012	2013	Per cent of previous year
On feed December 1	11,348,000	10,725,000	95
Placed during December	1,664,000	1,681,000	101
Marketed during December	1,745,000	1,736,000	99
Other disappearance during December	74,000	77,000	104
On feed January 1 (2013 & 2014)	11,193,000	10,593,000	95

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in December 2013 was 1.681 million head, up 1.0 per cent from December 2012, but down 10.7 per cent from 1.882 million head in November 2013. The number of fed cattle marketed in December was 1.736 million head, down 0.5 per cent from 1.745 million head in December 2012, and down 3.3 per cent from 1.681 million head marketed in November 2013. The December cattle placements were about 3.0 per cent above the average trade estimates while the cattle marketed in December were about 2.7 per cent below the average trade estimates. The cattle on feed for January 1, 2014 were estimated at 10.593 million head, 5.4 per cent below the January 1, 2013 inventory numbers, and 1.2 per cent below the December 2013 numbers. The January 1 cattle on feed numbers were 0.7 per cent above the average trade estimates. The report was overall not significantly different than average trade estimates but had higher December placements and January cattle on feed numbers, likely due lower corn prices and positive trending live cattle futures prices.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at a new record price of US$148.22 per cwt, up US$5.72 per cwt from the previous week and up US$25.62 per cwt from US$122.60 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at a record US$238.76 per cwt, up 5.1 per cent from US$227.28 per cwt the previous week, and up US$40.73 per cwt or 20.6 per cent from US$198.03 per cwt the same week a year ago.

Beef cutout prices set new records averaging US$238.43 per cwt, US$13.81 per cwt or 6.1 per cent above the old record of US$224.62 per cwt the previous week (Choice 600-900 lb.). Beef production for the week averaged 478.6 million lb., up 0.4 per cent from 476.6 million lb. the previous week, but down 4.4 per cent from 500.5 million lb. the same week a year ago. Weekly cattle slaughter numbers totaled 597,000 head, up 0.5 per cent from 594,000 head the previous week, but down 4.4 per cent from 624,000 head a year ago.

Friday Price Information

Product		This Week (January 24)	Week of: (January 17)
Canadian Dollar (closing rate US$)		.9031	.9111
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		170.34	171.32
Seven-day Weighted Average FC Index Wt. (lb.)		753	746
Live Fed 5-area Steer Price (US$ per cwt)		148.22	142.50
Feed Grains			
Barley	Lethbridge ($/tonne)	153.00	154.00
	($ per bu.)	3.33	3.35
Corn	Iowa State Average (CDN$/tonne)*	183.09	179.32
	(US$ per bu.)(Wed. 27/corn)	4.20	4.15
	Omaha, NE (CDN$/tonne)*	182.65	180.61
	(US$ per bu.)	4.19	4.18
Futures			
	March Corn (US$ per bu.)	4.29½	4.24
	May Corn (US$ per bu.)	4.36	4.31¾
	February Live Cattle (US$ per cwt)	143.400	140.350
	April Live Cattle (US$ per cwt)	140.100	139.300
	January Feeder Cattle (US$ per cwt)	170.700	170.000
	March Feeder Cattle (US$ per cwt)	168.875	167.925

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate

Note: Cow-calf producers in Saskatchewan are reminded to check with their local market operators regarding current market conditions for non-fed cattle. Producers are also reminded that old, thin cows have a very low market value. The non-fed prices quoted each week do not represent the market price for these animals. As an alternative to transporting these animals, you may want to check with your local veterinarian or the nearest Canadian Food Inspection Agency (CFIA) office to see if these animals are eligible for testing as part of the bovine spongiform encephalopathy (BSE) surveillance program. Producers receive $75 from the CFIA for each eligible sample submitted. The goal of this program is to prove that the BSE control measures implemented in Canada are working.

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